

## **Midlothian Strategic Housing Investment Plan 2024/25 - 2028/29**

**Report by Kevin Anderson, Executive Director - Place**

**Report for Decision**

### **1 Recommendations**

Council is recommended to approve the Strategic Housing Investment Plan (SHIP) 2024/25-2028/29, which will be submitted to the Scottish Government in October 2023 to meet the required dateline, subject to approval by Council.

### **2 Purpose of Report/Executive Summary**

This report summarises the key points set out in Midlothian's Strategic Housing Investment Plan (SHIP) 2024/2025-2028/29, which details the priorities for investment in new affordable housing in Midlothian.

**Date:** 10 October 2023

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### **3 Background/Main Body of Report**

- 3.1** The Scottish Government requires all local authorities to prepare a SHIP that identifies the main strategic investment priorities for affordable housing over a five-year period. This important document is required on an annual basis as the Scottish Government requires detail on the Affordable Housing Supply Programme in each regional area towards meeting the national target of supporting the development of 110,000 new affordable homes.
- 3.2** The delivery of more affordable housing remains a high priority for Midlothian Council; 864 properties were completed in phase one of the Council's new social housing programme; 489 in phase two; 645 expected on completion of phases three and four; and an additional 327 are funded for delivery in phase five.
- 3.3** While the SHIP sets out an increase in the number of lettings, in part as a result of Midlothian Council's most recent new build programme, it also records a 14% increase in the number of households on the waiting list between 2021 and 2023. Despite significant levels of investment in new housing, there is still a shortage against the demand for affordable housing in Midlothian with 4,468 households now on the Council's Housing List.
- 3.4** Midlothian Council has 14 projects named in the SHIP which are not yet on site. Partner Registered Social Landlords (RSLs) have an additional 30 projects listed in the SHIP. Some of these projects contain several phases of development, each having its own prioritisation and SHIP entry.
- 3.5** A total of £169.140 million of Scottish Government grant funding (and Charitable Bond funding) would be required by the Council and RSLs to deliver the identified units over the next five years. This is an increase of £41.62 million from the previous Strategic Housing Investment Plan. This rise is attributable to the increased level of grant that the Scottish Government is making for each affordable home (see SHIP Section 4.1).
- 3.6** The number of Midlothian Council new build properties to be built over the course of the SHIP is 832 with an additional 80 properties bought via the Open Market Purchase Scheme. The number of RSL new build properties planned over the same period is 1,203. Overall, the SHIP will deliver 2,115 affordable homes to the Midlothian area. The table below illustrates that the Midlothian Council Affordable Housing Programme has reduced since last year's SHIP, while the programmes reported by the Registered Social Landlords has increased and overall SHIP numbers have reduced by only 36 units.

Table 1: Changes re SHIP 23/34 and SHIP 24/25

	Midlothian Council New Build Programme	Registered Social Landlord(s) New Build Programme	Total number of new build affordable homes (MC + RSLs)
SHIP 2023/24 - 2027/28	927	1158	<b>2071</b>
SHIP 2024/25 - 2028/29	832	1203	<b>2035</b>

- 3.7** The SHIP contains information about Mid-Market Rent (MMR), a type of affordable housing with rents being lower than in the private market, but higher than in the social housing sector. Midlothian officers plan to present to council a mixed tenure strategy that will consider if and how MC can deliver MMR in order to increase the number of affordable homes beyond those already planned via the traditional social housing option.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

It is anticipated that the Scottish Government will part-fund these homes through grant provided via the Affordable Housing Supply Programme. Grant levels were uplifted in 2023 by approximately 31.6% which helped to mitigate rises in inflation associated with the cost of materials and labour. The ability to deliver the Affordable Housing Programme relies on continuing to receive appropriate levels of grant from the Scottish Government. Midlothian Council's Strategic Local Programme Agreement with the Scottish Government is presently scheduled to finance 60% of the grant required, therefore approval may be required to forward fund until further grant is available.

Those elements not funded by grant are funded through the Housing Revenue Account, where delivered by Midlothian Council, or through affordable housing RSL partners.

### **4.2 Digital**

N/A

### **4.3 Risk**

If the Council does not support the development of new affordable housing, the level of housing need will increase with negative consequences for Midlothian's communities.

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

Equality is central to all housing and housing services delivery. An Integrated Impact Assessment (IIA) has been undertaken on the Local Housing Strategy 2021-26 to ensure that the needs of local communities have been fully considered. The SHIP reflects identified needs and draws on findings from the IIA when considering the implications flowing from the translation of strategic aims into housing policies.

#### **4.5 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B - Strategic Housing Investment Plan 2024/25 -2028/29**

**Appendix C - Tables**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

This Strategy aligns with Midlothian's Single Midlothian Plan and with corporate priorities.

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

### A.4 Delivering Best Value

N/A

### A.5 Involving Communities and Other Stakeholders

Extensive consultation was carried out for the Local Housing Strategy involving the input of key stakeholders, including local organisations such as housing associations and private landlords as well as the wider community. During consultation, it was widely recognised that investment in affordable housing a key priority. All developing Housing Associations have discussed their development plans with Council Officers. Private sector developers were also given the opportunity to discuss their future development plans with Council Officers.

## **A.6 Impact on Performance and Outcomes**

The SHIP supports the following Local Housing Strategy (LHS) Outcomes, these are:

- Households have improved housing options across all tenures.
- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The condition of housing across all tenures is improved.
- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

## **A.7 Adopting a Preventative Approach**

Setting out a programme for development in the SHIP enables the investment of affordable housing to be carried out in a balanced approach in order that any investment takes into account the needs of the community. This includes those with particular needs such as extra care housing for older people, wheelchair housing or those with complex physical or learning disabilities where provision of suitable housing would require less resourcing in comparison to traditional models of care.

## **A.8 Supporting Sustainable Development**

All new build homes in the Strategic Housing Investment Plan 2024/25-2028/29 are scheduled to meet greener standards for the first time. 191 of these will be Midlothian Council Passivhaus properties.